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As HFS Brand, Knights Inn Seeks To Bolster Image, Plumb For New Customers

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even done marketing in that segment. We see this as great opportunity to formalize the market."

Gokal said he will do so with strong marketing campaigns that target specific groups of travelers such as truckers and construction workers, "which will help us own pieces of the market. But even more important, it will let everyone know we are out there," he said. "We started with a zero marketing balance when we took over, and even if we had money, we wouldn't have known where to rightfully spend it," he said, noting the brand's new-found focus.

To help research and kick off the regional and national marketing initiatives, Knights Inns has retained marketing consultant Victor Appleby. The new "Grass Roots" programs, which were announced at the conference for the first time, target road warriors who read billboards and pick up discount traveler guides.

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—Ramesh Gokal
HFS Inc.

Sales tools include site-specific Interstate exit guide coupons, ads in both the Pennsylvania and Ohio visitors guides as well as full-page, full-color ads on page five of the AAA TourBook road atlas, maximizing exposure to potential guests traveling in their cars without hotel reservations.

To further support the regional marketing thrust, a 30-second television commercial was created to run in the Cleveland and Orlando markets for the remainder of the year with the slogan— "Spend less here so you can spend more there." The commercial will air 308 times in Cleveland with cross-promotion on the radio; Orlando will air the spot 100 times.

A King of the Road club was also announced, which recognizes truckers as one of the segment's most lucrative target markets, providing them with special benefits such as their own 800 number. Knights will also telemarket construction companies to find out about projects that may generate business via the influx of workers in the surrounding area.

Marketing efforts will continue to mature as the Knights Inn brand grows, said Gokal, who believes that expansion is key to getting the Knights Inn name "out there," and to building referral business. The chain is poised for growth in a segment that has had little mainstream exposure and focused marketing efforts and dollars. "We are in a segment that is ripe for the picking," John Russell, president of HFS's Hospitality Division, told franchisees.

Knights Inn growth will consist of new construction as well as mis-positioned economy properties that are unable to meet their current rate, said John Osborne, executive vp/ franchise sales and development. He pointed out that growth within the next several years would help Knights step out in front of the competition. "No one owns the budget segment of the industry; but someone can." Osborne estimates more than 300 Knights Inn properties by 1998, and 600 by the year 2000.

Knights Inn announced a two-story new construction prototype, expanding on its original one-story version, designed to help absorb rising land costs.

Franchisees concerned that rapid growth would erode the quality of the chain, were met with a new Quality Inspection program titled "Quality Done Right, Knight After Knight." The new program consists of daily and weekly property inspections, which was designed to help boost scores by addressing problems on a regular basis.

Initial quality inspections were recently completed at all Knights Inn properties. The results showed an average score of 396, with 56% of Knights Inns scoring an A or B, and 44% scoring a C or worse. Bill Keeble, vp/quality assurance, urged franchisees to take advantage of the QA services offered by HFS. He said he expects properties to score higher on their next inspection following training in housekeeping and other "easy fix" areas such as guest services, and phone skills.

A new central reservations system, Knightline 2020, was launched on May 31 from HFS's central reservations center in Knoxville, TN, with a staff of 30 Knights Inn Reservations Sales agents. The upgraded system is expected to vastly improve talk and booking times, and enables franchisees to yield manage their inventory with special rate plans that load discount and value-added business. Franchisees will be able to change rates, control discount business and adjust rooms inventory at the property level. The system will integrate with terminals currently at Knights Inn properties.

Experts Meet To Discuss Lodging Renovation And Repositioning

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of hospitality services at Carey Winston; John Plunket, executive vice president/finance and development at CapStar Hotels; and Mike Kavanagh, senior vice president/branch director of Structure Tone.

PKF's Williams stressed the need for hotel owners to identify options most suitable to the specific property and its market when considering renovations, which are key in repositioning a property. "Repositioning within a segment can result in a more competitive hand to play in a current game," he said.

He pointed out the importance of developing a strategy that adds to the entire facility, which includes changes that enhance back-of-house operations for better service to customers, as well as adequate meeting facilities.

Boekenheide of Brennan Beer Gorman/Architects noted the importance of value engineering, "especially in the planning stages." Controlling costs, one of the largest concerns for owners, becomes harder once a project is underway, he said. To avoid incurring extra costs in the middle and end stages of a project, Boekenheide suggested that owners consult with the architects and designers as early as possible to evaluate physical and functional limitations that may affect the goal.

Demonstrative of the trend to continually upgrade hotel facilities, a survey of 58 Metro area hotels here showed that 43% renovated their guestrooms within the last 18 months; 24% plan to renovate guestrooms within the next 18 months.

Microtel Boosts Revenues By 351%, Switches To Hudson Moniker

ROCHESTER, NY— Microtel Franchise and Development announced a record increase in operations revenues of 351% for the first quarter, a reflection of royalties from franchise sales through US Franchise Systems.

The company, which has changed its name to Hudson Hotels Corp., was named to the Inc. 100 list of fastest growing public companies in the United States. Coming in at 76th place, the company was recognized for its 46% revenue growth in the 12 months that ended Dec. 31, 1995. Each of the Inc. 100 companies had sales of $200,000 or more in 1991 and total revenue growth of more than 1,200% over five years.

For the first quarter that ended in March, Microtel's pre-tax income was $286,188, compared to a loss of $78,507 in the same period in 1995. Revenue was 14% less, reflecting the shut-down of the Canandaigua Inn on the Lake for renovations. It will reopen this month.

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